(c) Under the States' Debt Consolidation and Relief Facility, all State Governments are required to enact the Fiscal Responsibility and Budget Management Act to enable them to become eligible for the consolidation and relief facility recommended by TFC. However, enactment of such a legislation will inter-alia improve the credibility of states to borrow from the market directly.

(d) So far, 18 States have enacted their Fiscal Responsibility and Budget Management Act.

Opening of bank branches in Juhapura, Ahmedabad

2322. KUMARI NIRMALA DESHPANDE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in Juhupura, a locality of the city of the Ahmedabad, with a population of two and a half lakhs, no bank has opened its branch,

(b) if so, the reasons therefor;

(c) whether it is also a fact the poor people of that area are denied any banking facility; and

(d) if so, what are the remedial measures being proposed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIPAWAN KUMAR BANSAL): (a) to (d) Ahmedabad is a metropolitan centre having 475 branches of commercial banks. There are 592 branches in Ahmedabad District as a whole and the average population per branch coverage is 9926.

In terms of the current Branch Authorisation Policy announced by the Reserve Bank of India (RBI) on September 8,2005 banks have the freedom to select centers for opening of new branches and they are encouraged to open branches in underbanked centers. Further, there is no restriction on banks to service the clients in any locality at a centre.

Posting of working couple

2323. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether there is a policy of Government to post the husband-wife employed under Central Government at the same station to enable them to lead normal family life;

(b) if so, whether under the transfer/placement policy for Group A officers belonging to Indian Revenue Services (CBEC and CBDT), posting of a working couple is permitted at same station; and

(c) the list of such Group A officers whose requests for posting have been accepted in last three years and the list of Group A officers whose requests have not been accepted alongwith the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) Under the transfer/placement policy for Group A officers belonging to Indian Revenue Service, posting at the same station as the spouse may be allowed subject to instructions issued by Department of Personnel and Training on the issue provided that jointly they do not occupy more than 50 percent of the posts of the posts in the station of posting.

(c) Information is being collected and will be laid on the Table of the House.

Income Tax Benefit to Pharma Companies

2324. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are allowing 15 per cent Income Tax benefit to Pharma Companies; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Under the provisions of section 35(2AB)(1) of the Income-tax Act, 1961, a company engaged in the business of manufacture or production of drugs and pharmaceuticals is allowed a deduction of 150% of the expenditure incurred by such company on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority.

In essence, the total tax benefit works out to 45% in the case of a pharmaceutical company on account of weighted deduction of 150% of expenditure incurred on in-house research and development facility as against 30% tax benefit on account of deduction of 100% expenditure incurred on scientific research related to the business implying 15% extra tax benefit (without taking into account the surcharge and education tax in the calculation).